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said that if we would only do a little more, things would be better. It has not worked that way.

I think the Senator's idea is a good one, to try a different tactic, in an effort to arrive at a balance of respect as between the two great powers. If one course does not work, maybe it is time we tried another.

I have complete confidence in the reasoning of the Senator from Kentucky, but in the background of history, it has not worked. I think this is the time when this situation should be brought into clear focus.

I have confidence in what the Chief Executive will be doing, but I do not think it is a matter of leaving the future of our country in only his hands. Otherwise, there would not be a need for Congress. We are sent here to represent our people. I am sure my constituents in California will be wholeheartedly in favor of this idea of guarantee and safeguard, which is long overdue in our dealings with the Soviet Union.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the distinguished majority leader.

Mr. MANSFIELD. Going back to the colloquy between the distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from South Dakota [Mr. MUNDT], it is true that there was an Executive order last year—I believe last October—

Mr. MUNDT. October 12, 1966.

Mr. MANSFIELD. Which did release a number of items for export to the so-called Socialist countries exclusive of Red China, with which we have no trade relations, because that is the law, but the fact that we have no trade relations with Red China does not prevent goods from our friends going to China.

Mr. MUNDT. This amendment will do it if it is on American credit.

Mr. MANSFIELD. If this amendment will do it, then I think the Senator ought to apply it to all of Western Europe and Canada, if she is interested in any Export-Import Bank loans—which I doubt—but getting back to the question, before that Executive order increasing the number of items which could be shipped, sold, or traded to the countries of Eastern Europe and the Soviet Union, there was trade—not of great significance—between the Soviet Union and the countries of Eastern Europe and this country. This order increased the goods which were declared nonstrategic.

Mr. MUNDT. And took them away from under the control of items that were declared to be strategic. Before that there was a small trickle of trade, but it all

had to be inspected and licensed. This order opened up 400 items on October 12 in one fell swoop and 40 more this year.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, if the Senator will yield to me, with no time to be taken out of either side's time, and with these remarks to come after the Senator has concluded his remarks—

The PRESIDING OFFICER. The Senator has 4 minutes left on the amendment and 98 minutes on the bill.

Mr. DIRKSEN. Mr. President, I yield 14 minutes, the balance of my time on the amendment, and 10 minutes on the bill, to the Senator from South Dakota.

AUTHORIZATION FOR HOUSING AND URBAN AFFAIRS SUBCOMMITTEE OF COMMITTEE ON BANKING AND CURRENCY TO MEET ON AUGUST 21

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on August 21 the Housing and Urban Affairs Subcommittee of the Banking and Currency Committee may be permitted to meet all that day during the session of the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO TOMORROW AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate concludes its business tonight, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SPARKMAN TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at the conclusion of the prayer and the approval of the Journal, the distinguished Senator from Alabama [Mr. SPARKMAN] be recognized for not to exceed one-half hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF MORNING BUSINESS TOMORROW WITH LIMITATION ON STATEMENTS THEREIN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, following the remarks of the Senator from Alabama [Mr. SPARKMAN], there be a 15-minute

period for the transaction of routine morning business with a time limitation of 3 minutes on statements therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, that will get us back on the pending amendment around noon, relatively?

Mr. MANSFIELD. Yes.

EXPORT-IMPORT BANK ACT AMENDMENTS OF 1967

The Senate resumed the consideration of the bill (S. 1155) to shorten the name of the Export-Import Bank of Washington, to extend for 5 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves, export credit insurance and guarantees, and for other purposes.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. DOMINICK. Mr. President, I want to say for the record that I have been impressed by the statement of the Senator from South Dakota and his discussion with the Senator from Kentucky [Mr. COOPER]. The Senator from Kentucky has expressed some of the hopes and aspirations for the future that most of us share. As the Senator from California has said, they are not borne out by history, but we can always hope.

The difficulty with all this is that we are not dealing in our trade with any one of these countries with private individuals or corporations. We are dealing with corporations and individuals controlled by Communist governments, Communist leaders who have the express purpose of bolstering Communist control in those countries. If we were trading with people in those areas in order to try to have concessions so they might have more liberty and freedom of individual expression, that would be one thing; but when we deal with Communist-controlled corporations for the benefit of a Communist Government, I cannot see any reason why we in the United States should continue to go down the road which leaves us further mired down in the slough of despond.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation headed "Export-Import Bank of Washington: Eximbank Guarantees Authorized for Exports to Communist Countries."

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

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EXPORT-IMPORT BANK OF WASHINGTON

EXIMBANK GUARANTEES AUTHORIZED FOR EXPORTS TO COMMUNIST COUNTRIES, JULY 1, 1962, THROUGH MAY 31, 1967

[Dollar amounts in thousands]

	Nature of export	Number of guarantees ¹ authorized	Amount of guarantees ² authorized	Terms
Fiscal year 1963: Yugoslavia.....	Drill masters.....	1	\$120.2	6 semiannual installments. ³
Fiscal year 1964:				
Hungary.....	Corn, wheat, cotton, soybean meal, and dry milk.....	28	23,902.2	3 sets of approximately equal drafts payable 6, 12, and 18 months after presentation.
Yugoslavia.....	Power shovels.....	1	130.3	8 semiannual installments. ³
	Boring machines.....	1	330.0	10 semiannual installments. ³
	Machinery and services for producing phosphate.....	1	6,969.5	15 semiannual installments beginning June 25, 1968.
	Machinery and services for rolled aluminum products.....	1	6,443.5	18 semiannual installments beginning Dec. 24, 1966.
Subtotal.....		4	13,873.3	
Total, all countries, fiscal year 1964.....		32	37,775.5	
Fiscal year 1965:				
Hungary.....	Soybean meal.....	1	470.8	3 approximately equal drafts payable 6, 12, and 18 months after presentation.
Poland.....	Tallow and cotton.....	32	4,150.7	3 sets of approximately equal drafts payable 6, 12, and 18 months after presentation.
Rumania.....	Catalytic plant.....	1	19,400.0	10 semiannual installments beginning Feb. 1, 1968.
Yugoslavia.....	Tractors and trucks.....	7	2,062.6	6 to 10 semiannual installments. ³
	Machinery for rolled aluminum products.....	(4)	147.0	See Yugoslavia, fiscal year 1964.
	Rotary drill for mine.....	1	164.5	6 semiannual installments. ³
	Bevel gear manufacturing machinery.....	1	29.7	Do. ³
	Compressors.....	1	231.1	10 semiannual installments. ³
	Television equipment.....	2	351.2	Do. ³
	Glass container production.....	2	588.3	Do. ³
Subtotal.....		14	3,574.4	
Total, all countries, fiscal year 1965.....		48	27,595.9	
Fiscal year 1966:				
Rumania.....	Catalytic plant.....	(4)	600.0	See Rumania, fiscal year 1965.
Yugoslavia.....	Oil well drilling equipment.....	2	349.0	From 6 to 10 semiannual installments. ³
	Harvesting machinery.....	5	1,147.1	Do. ³
	Tractors and trucks.....	3	1,154.5	From 8 to 10 semiannual installments. ³
	Locomotives.....	1	12,207.5	18 semiannual installments beginning not later than July 31, 1967.
	Fertilizer plant.....	1	34,773.8	14 semiannual installments beginning not later than Oct. 31, 1969.
	Electric shovels.....	1	368.8	10 semiannual installments. ³
	Tourmapull with scraper.....	1	40.4	6 semiannual installments. ³
	Agricultural implements.....	1	13.9	180 days.
Subtotal.....		15	50,655.0	
Total, all countries, fiscal year 1966.....		15	50,655.0	
Bulgaria.....	Copper mining equipment.....	1	252.7	6 semiannual installments. ³
Hungary.....	Earthmoving equipment.....	1	375.2	Do. ³
	Cotton, sorghum, soybeans, and soybean meal.....	1	16,696.0	3 approximately equal annual installments beginning 1 year after disbursements.
Yugoslavia.....	Tractors, combines, and harvesters.....	3	2,324.3	10 semiannual installments. ³
	Oil well servicing machine.....	1	144.9	6 semiannual installments. ³
	Airplane (Cessna).....	1	81.8	8 semiannual installments. ³
	Transistor manufacturing equipment.....	1	94.4	10 semiannual installments. ³
	Data processing equipment.....	1	255.2	Do. ³
	Power shovels.....	2	915.3	From 6 to 10 semiannual installments. ³
	Excavating equipment.....	3	222.9	6 semiannual installments. ³
	Rotary drill.....	1	201.5	8 semiannual installments. ³
	Trucks.....	2	2,697.0	10 semiannual installments. ³
Subtotal.....		15	6,937.3	
Total, all countries, fiscal year 1967.....		18	24,261.2	
Recapitulation, fiscal year 1963-67 (11 months).....		115	140,407.8	

¹ Guarantee: Eximbank acts as insurance for U.S. bank which holds promissory note from foreign exporter.² This figure would be the amount of the note that is guaranteed, not 100 percent of the transaction.³ Payments on credits thus marked are to begin not later than 6 months after the date of the obligation or series of obligations.⁴ Increase.

EXIMBANK GUARANTEES FOR EXPORTS TO COMMUNIST COUNTRIES, FISCAL YEARS 1963-67 (10 MONTHS)

	Recapitulation by country	
	Number of guarantees authorized	Amount of guarantees authorized (thousands of dollars)
Bulgaria.....	2	627.9
Hungary.....	30	41,069.0
Poland.....	32	4,150.7
Romania.....	1	20,000.0
Yugoslavia.....	48	74,560.2
Total.....	114	140,407.8

EXPORT-IMPORT BANK OF WASHINGTON
Foreign Credit Insurance Association insurance for exports to Communist countries from 1962 through May 31, 1967

[Thousands of dollars]

Medium-term insurance:

Yugoslavia:

Authorizations.....	982.5
Shipments ²	691.3
Repayments ²	58.6
Outstanding.....	634.7

Short-term insurance:¹

Yugoslavia:

Shipments.....	196.5
Repayments.....	184.4
Outstanding.....	12.1

Czechoslovakia: Less than \$500 shipped.

¹ Since short-term policies are generally on a revolving basis, a figure for authorizations does not have the same meaning under the short-term program as it does under the medium-term program where policies are written on a case-by-case basis. For this reason a figure for authorizations is not given with respect to the short-term program.

² Figures for shipments and repayments refer to April 30 due to reporting delay by F.C.I.A.

Mr. MUNDT. Mr. President, the President and his appointees have justified this decision to equip the Fiat plant in Russia on the grounds that the construction of the Fiat plant will be some kind of a Trojan horse which will undermine

the overmilitaristic concentration of Soviet industry, Averell Harriman espoused this point on an NBC program on May 21, 1967, when he said of the Russian people:

I found every family wanted an automobile . . . [there is] pressure for automobiles and the need of all things that go with automobiles, the roads and the services and one thing and another. That's why I say that the Fiat deal is very subversive to Communism. I think it is one of the best things that have been contemplated.

That is the argument in a nutshell and I must admit that it has some appeal. It suggests the "swords into plowshares" scene—to use a phrase familiar in the American vernacular—of armor being melted down to make cars and cement being diverted from missile silos to new road construction. The vision of a long exploited Soviet people enjoying the pleasure of Sunday drives instead of holidays trapped in the city is very compelling.

It fits into the long-term viewpoint that was discussed by the Senator from Kentucky. But this would make sense only if we were talking about its actually happening, and were not talking about a Communist-run economy.

At the request of the House Banking and Currency Committee, the Central Intelligence Agency has analyzed the probable effect of the Fiat plant, and has something to say about it.

With characteristic objectivity, the CIA cuts right through the euphemisms:

Essentially, the new Soviet program is designed to produce automobiles for the bureaucratic and managerial elite, not for the average citizen.¹

Furthermore, it is clear that—

Announced plans are not so grandiose as to require a significant alteration in traditional Soviet economic priorities, and would leave military and space program unimpaired.²

That is why, Mr. President, I allude to this proposed misuse of American taxpayers' dollars by the Export-Import Bank in financing this automobile plant as the "cars for commissars" loan.

As I pointed out in my remarks to the Senate on July 13, 1967, the Soviets recognize that the cheapest way to offset deficiencies in their economy is to import as much of what it requires on credit from the Western World. In view of the fact that Communist countries have such a poor record with respect to honoring past debts, I am absolutely confounded by the Johnson administration's avowed intention to extend credits amounting to \$50 million to cover purchase of the machinery which the Soviets seek for the Fiat plant.

Senators should remember the Soviet Union still owes the United States some \$11 billion for lend-lease credits. A large portion of that amount is also from the export not of World War II military equipment utilized when we were fighting together against Hitler, but of valuable industrial equipment which the United States provided at the end of World War II to aid the reconstruction

of the Soviet Communist economy. This debt has been outstanding for so long and our negotiators have been so frustrated by lack of settlement that we have agreed to reduce the indebtedness to only \$800 million. Even so, the Soviet Union adamantly refuses to pay any portion of this much reduced amount for what is a legitimate debt. Instead, they say, "We would like to borrow \$50 million now, Uncle Sam."

It is precisely to this point that the President's special Committee on United States Trade Relations with East European Countries and the Soviet Union in its report to the White House on April 29, 1945, addressed the following reservation, and this is to the man who now asks us to give the money for the plant:

Apart from the commercial risks, it is important to recognize that long-term credits could run counter to the central purpose of this trade and reduce its potential political benefits. If Communist countries are strongly interested in purchasing United States or any other Western capital equipment on a scale substantially beyond their near-term capacity to finance, they should be obliged to face-up to the implications of that position. The appropriate course for them to follow would be to divert resources to their export industries and to devote greater effort to design and marketing activities for sales in the West. *Long-term credits enable these countries to postpone such decisions and transfer the burden of adjustment to Western capital markets, rather than to accept the responsibilities of growing interdependence with the free world.* (Italic added.)

No wonder the President says that he needs a 10-percent surtax on the income of the taxpayers. It is in part because we are in the business of financing Communist countries and everybody else on long-term credit so that they can in turn manage their internal short-term credit.

So you can see the President's own advisers counsel against long-term credits. If we do not give them credits, then the Soviets are compelled to earn the hard currencies through sale of consumer products. In order to have the consumer products, they must divert resources from the military sector of the economy which is what we are really after. They are thus able to send war equipment and supplies to Hanoi and to the Arab States to stir up additional misery and the threat of war between Israel and the Arab States.

Turning from the question of credit, consideration should be given to the contents of the package being proposed for sale through the Fiat Co. to the Soviet Union. While there is no complete listing of what machine tools the Soviets seek to acquire from the United States, it is illuminating to review the record of previous transactions involving automotive producing machine tools.

It happens that from May 1960 through August 18, 1962, the Department of Commerce refused applications for the export of automotive machine tool exports totaling \$41.2 million. These comprised a wide variety of machine tools including lathes, grinders, roughers, formers, hobbers, lappers, finishers, testers, quenchers, shapers, cutters, and transfer machines. The latter item being noteworthy because these machines are capable of producing up to 350,000 V-8

cylinder blocks per year on an automated assembly line.³

Considerable controversy was raised over these transactions at the time they were under consideration. The Department of Defense, which always participates in the approval or denial actions, had first strongly recommended against the shipment of these articles. Later, Secretary of Defense McNamara personally intervened, rescinding the previous recommendation on the basis that substantially similar machinery could be purchased in Europe. I suspect that he had been talking on the telephone to 1600 Pennsylvania Avenue, but he at least changed his mind and he rescinded the previous recommendation. When this reversal became known the original request amounting to some \$5,300,000 was expanded to a total of \$41.8 million worth of machinery. Then ensued still more lengthy deliberation on the part of the Department of Commerce, ultimately resulting in a categorical denial of all applications for automotive machine tools, the Secretary's earlier approval notwithstanding.

During the 87th Congress rather lengthy hearings were held before a Select Committee on Export Control in the House of Representatives. The issue of the export of automotive machine tools was closely cross-examined by members of the committee. The testimony given, because it is of recent date and involves the very same Democratic administration now in power, merits review in connection with this Fiat proposal. I should like at this time to quote from part III of these hearings for the date September 14, 1962. The dialog involves Mr. GLENARD P. LIPSCOMB, Congressman from the 24th District of California, and a longtime critic of expanded East-West trade—whom I say, parenthetically, is doing a tremendous job on the House side in alerting his colleagues and the country to the dangers of trading with the enemy—and Mr. Jack N. Behrman, then Assistant Secretary of Commerce for International Affairs and responsible for the management of the export control program:

Mr. LIPSCOMB. While we are discussing that \$43 million order (note \$1.8 million of the total was scheduled for shipment to Czechoslovakia—the remainder, \$41.2 million, being sought by the Soviet Union), previously a license was issued authorizing shipment of \$5.3 million license for automobile-making machinery which began the whole episode. At the outset the Department of Defense was asked about it and described this machinery as the most advanced in the world. The Department of Defense said it would contrib-

³ The following items are understood to be required for use in the Fiat constructed plant in the U.S.S.R.: Numerically controlled machines for diesinking; multispindle lathes; gear cutting machines; stamping presses; machines for mechanical operations, such as transfer lines; boring, grinding, broaching machines; high production machines for ring bevel gear production; boring and honing machines; numerically controlled profile checking equipment; automatic lathes; high production machine tools for spined shaft production, hub production and transmission sliding sleeve production; transfer lines for the machining of differential gear carrier and gear housing; transfer lines for pistons.

¹ CIA/RR ER 66-13, July 1966, p. 26.

² Ibid., p. 11.

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ute significantly to the economic and military potential of the U.S.S.R.

The Defense Department decision was later rescinded by Secretary McNamara on the basis that substantially similar machinery could be purchased in Europe and it was claimed that the fact the earlier delivery was possible from the U.S. source was of minor importance.

Just to get all of this in the record at this point, what were the reasons for denying the licenses to ship \$43 million in automotive building machinery to the U.S.S.R.?

Mr. BEHRMAN. As stated fairly simply in the press release on the matter, Mr. Lipscomb, the denial is largely based on the magnitude, the total order. The fact that they were of advanced types would have contributed to the automotive capacity of the industry in the Soviet bloc and that orders of such magnitudes could not be filled, we felt, in the very near future by competitive sources. Also it is correct that most of these machines are quite similar, if not identical to that available in other countries.

Mr. Behrman makes reference to the Department of Commerce's press release of August 18, 1962. So the record will be completely clear, I would like at this time to insert three paragraphs from the Department of Commerce's press release mentioned by Mr. Behrman:

The applications had been pending action by the Department for several months while the machinery involved and its advanced capabilities were subjected to intensive scrutiny and analysis, not only by technical experts within the Government, but also at top policy levels. The denial action was taken after consultation and with the concurrence of the other U.S. departments and agencies who advise the Secretary of Commerce under the Export Control Act.

Denial was based largely on the fact that equipment of this magnitude and advanced type would have contributed significantly to the automotive capacity of the bloc. The automotive industry has an important role in military support.

While it is recognized that equipment similar to most of that covered by the license applications is or could be produced and sold by foreign manufacturers, their ability to deliver more than a few units in the near future is limited.

Mr. President, there can be no question of the fact that we have done a 180-degree turn here. The very same Department of Commerce just 5 years ago was saying that it was not in the national interest to ship \$41.8 million worth of automotive machine tools to the Soviet Union because "equipment of this magnitude and advanced type would have contributed significantly to the automotive capacity which has an important role in military support."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. Mr. President, I ask that I be granted 5 additional minutes from the time on the bill.

Mr. DIRKSEN. Mr. President, I yield 5 minutes under the bill.

Mr. MUSKIE. Mr. President, I yield the Senator 5 minutes.

Mr. MUNDT. The Senator from Illinois has no time remaining.

The PRESIDING OFFICER. The Senator from Illinois has something like 88 minutes remaining on the bill, but no more time on the amendment.

The Senator from Illinois has granted the Senator from South Dakota 5 minutes on the bill.

Mr. MUNDT. I am entirely neutral as to where I get my time.

May I proceed, and we will work the time out between the various Senators.

Mr. MUSKIE. Mr. President, I am happy to yield the Senator 5 minutes on the bill.

The PRESIDING OFFICER. Will the Senator from Maine and the Senator from Illinois get together so that the Parliamentarian will know to whom to charge the time?

Mr. MUSKIE. The Senator has not rejected my offer. So I am happy to yield the time.

Mr. DIRKSEN. I will take my time back.

The PRESIDING OFFICER. The Chair understands from the comments that the Senator from Maine is yielding 5 minutes on the bill to the Senator from South Dakota.

Mr. MUSKIE. The Senator from Maine needs less time and does yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Maine yields 5 minutes to the Senator from South Dakota on the bill from now on.

Mr. MUNDT. I thank the Senator.

Mr. President, it is peculiar that now the Government has entirely reversed itself in the period of just a few short years. The administration first said that it was inadvisable, and they now say that it is advisable to give the equipment to them, financed by the American taxpayers.

I think that is another reason that we ought to have a white paper from the White House explaining these idiosyncrasies. They would be humorous if we were not involving the lives of American boys and the future freedom of our America citizens.

They have completely reversed themselves without any explanation. Furthermore, conditions are entirely different today than they were in 1962. We were not then at war. We did not have 500,000 men committed to Southeast Asia. We were not at the point of having lost 638 aircraft in combat over North Vietnam. Nor had 70,000 of our fellow citizens fallen prey to Soviet weapons, 12,000 of whom will never return to their loved ones.

We now have this casualty and death list, and we have the administration saying, "Send them the weapons now that are so dangerous that we denied them these weapons 5 short years ago."

We were in a state of relative normalcy when there was some degree of confidence that we were working out our differences with international communism. It is simply incredible at this time, when international communism is more venturesome than ever, disrupting the lives and civil order on every continent of the globe, that we should be contemplating a buildup of the industry which everyone knows will contribute to the military industrial base of the Soviet Union. To me it is incredible, indefensible, and positively something on which Senators should pass their own individual judgment in writing this policy where it should be written, in the Congress of the United States, not by Executive action.

One of the arguments advanced by those who advocate shipment of these machine tools to the Soviet Union is that once installed it would be impractical to divert the machine tools which have direct military application from the automotive production line. If this were to be done, it is argued it would completely stop the assembly line production. But this ignores the fact that machine tools, unlike any other product, are capable of reproducing themselves. In other words, there is nothing to stop the Russians from using machine tools which we send to duplicate themselves, nothing to stop the equipment which is made for automotive supplies from being used for armored trucks and armored vehicles to fight the war. We would not be sending them equipment for just one automotive plant. We would be sending them tools with which they could update their whole machine tool production.

There is no question that the Soviet economy is short on high-precision machine tools, and they are included with what would be supplied if the Fiat loan goes through.

Again, the CIA report on the Fiat-Soviet auto plant testifies to this point:

The need of the Soviet automobile industry for dependable high-performance specialized machinery is a key reason why the USSR has turned to the Industrial West to equip its new plant. Soviet machine tool builders have always emphasized long production runs of general-purpose machine tools in Soviet industry. Consequently, the USSR has inadequate capacity for manufacturing complex, specialized, and highly precise machine tools.⁴

Another important point we must remember is that the automotive industry, is, more than any other, convertible to military production in war-time mobilization. This was our experience back in World War II, when it was Detroit that was turning out the tanks, the armored personnel carriers, and self-propelled weapons which turned the tide in Europe and in Asia from defeat to victory.

In light of the President's unretracted statement that his administration will favorably entertain an application for long-term credits to further purchases of machine tools by the Soviet Union, which, on the testimony of his own administration, will augment a significant military support industry. I believe we will not do justice to the American people if we allow this authorization for the Export-Import Bank to pass without restriction. The amendment introduced by the distinguished minority leader, and supported by some 15 or 16 cosponsors, must be enacted as a protection to America and as a step toward doing something concrete about bringing to an end a war which continues to go on and on and on, until all of us become disenchanted and disillusioned with the situation and the conduct of the war along with its associated self-defeating trade policies.

As I mentioned in the beginning of my remarks, this automobile plant will not produce cars in sufficient quantity to meet the justifiable needs of the Soviet people. Rather, it is intended solely to produce cars for the Commissars, freeing

⁴ Ibid., p. 24.

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trucks now used by the Soviet elite to meet more pressing military needs resulting from the Soviet direct support of international aggression.

I am joining the distinguished minority leader in an amendment which will preclude any possible use of the Export-Import Bank credits to expand trade with the Soviet Union and any other nation which continues to support North Vietnam and Cuba. It is time that we take some of the discretion out of the law. Never would I have believed that executive determination would be so abused as it has been in the war in Vietnam. Yet, as I pointed out in my remarks before the Senate on July 13, 1967, not only is the administration expanding trade with our enemies, but also, it sees nothing wrong with shipping them essential military articles like rocket fuel, the raw material for bulletproof glass, and even missile targeting instruments.

I wish the distinguished Senator from Kentucky, who was talking about non-strategic items, were in the Chamber now. We are shipping these military items. Some of them are being transshipped directly to Hanoi, to slaughter more American troops.

Until we have some hard evidence that international communism intends to behave on this planet in accord with the fundamental tenets of the U.N. Charter, we have no business in bolstering their economies and warmaking potential with shipments of advanced technology.

Therefore, Mr. President, I believe that Senators have no choice but to amend this authorization of the Export-Import Act so that we completely close the door against such a self-defeating use of the hard-earned American tax dollars of our fellow citizens as that involved in using our own money to strengthen the capacity of the Communist world to wage ruthless and continuing war against us in Vietnam.

I urge every Senator who wants this war brought to an early and successful conclusion to support this amendment, to stop the use of American dollars for supplying our enemy with the materials of war required to kill additional thousands of our American men in the war in Vietnam. The unprecedented policy of feeding and fighting the same enemy year after year, as the war increases its heavy toll of life and treasure, should be summarily ended by the Senate here and now. Surely, the least we can do to promote an early peace is to stop feeding the war machines of the Communist world which are used to equip the armies of those fighting and killing our American troops in Vietnam.

By doing less, how in Heaven's name, do we ever expect to end this war short of suffering a humiliating defeat or needlessly prolonging the fighting for added decades of destruction? Let those opposing this amendment, Mr. President, answer that question. To me our choice today is as clear as the path to the country schoolhouse.

I conclude by insisting, once again, that the hour is very late for a President calling upon Americans to support the war, in which he should explain to the American people trade policies which any

sophomore student of economics must realize are prolonging the war by expanding the capacity of the enemy to produce the materials it ships to our enemy with such abundance that without those shipments the war would be over.

I am in favor of the profit system. I am not in favor of making war millionaires and profiteering bankers, international bankers, with a fat interest in all of this. I know the pressures that some Senators are under. The international bankers, the big exporters, the machine toolmakers, and the munitions makers are for this trading with the enemy. But let us think about the soldiers, the airmen and the sailors, and the mothers and fathers of these men as well as the hopes and prayers of the common people of America, and let us adopt by an overwhelming vote the amendment of the distinguished minority leader.

Mr. MUSKIE. I yield 2 minutes to the distinguished Senator from Kentucky [Mr. MORTON].

The PRESIDING OFFICER. On the bill or on the amendment?

Mr. MUSKIE. On the amendment.

Mr. MORTON. Mr. President, I shall not delay the Senate.

First, this plant is going to be built; let us face that fact. The Fiat plant is going to be built. Whether the machine tools come from the United States, from West Germany, or from England is relatively immaterial. The fact is that the plant is going to be built.

The second point I should like to make is that when Mr. Khrushchev was here in 1959, the State Department was worrying about how to handle his visit to Washington and what they were going to do in developing a long agenda and subjects for discussion. General Eisenhower, who was then President, said:

I have an idea. I'm going to take him up in a chopper, a helicopter. I'm going to fly him over Washington at 5:30 in the afternoon.

At that time, we did not have as many bridges as we have now, and Mr. Khrushchev saw the biggest traffic jam he ever saw in his life, and he probably saw more automobiles than there are in Russia.

I am inclined to think that if the Russian people had a lot more automobiles, they would demand motels, filling stations, this, that, and the other, and it might take some of their money away from missiles, atomic warheads, and so forth.

The third point is this: We talk about the war in Vietnam and about it being a tragic war. We all know that. But I wish the Senate would devote more time to finding a way to honorably disengage ourselves from that dilemma and less time worrying about the fact that we might be helping somebody who might be shooting at our boys.

I thank the Senator for yielding to me.

Mr. THURMOND. Mr. President—

Mr. MUSKIE. I thank the Senator from Kentucky.

May I say to the Senator from South Carolina that I will take 3 or 4 minutes to explain the amendment, so that the explanation may be in the Record, and

then I understand that the Senator from Illinois will yield to the Senator from South Carolina.

Mr. President, there have been a number of explanations as to what the proposition before us is. As the representative of the committee which reported the bill to the floor, let me give the committee's explanation.

This bill is not a grant of authorization with respect to East-West trade. It is not an East-West trade bill. It does not in any way enlarge the authority of the Eximbank or any agency of the Government to engage in East-West trade, so-called.

The bill is a restriction upon the authority of the Eximbank to become involved in transactions which may, as their ultimate destination, result in the transfer of American goods to Communist third countries.

The restriction which is contained in the bill is a restriction which was authored by the distinguished Senator from Texas [Mr. TOWER], the ranking Republican member of the subcommittee, and the distinguished Senator from Iowa [Mr. HICKENLOOPER].

So we are not talking about authorization for East-West trade; we are not talking about an enlargement of authority to engage in East-West trade. We are talking about a bill which restricts present authority.

The entire question before us is whether that restriction is strong enough, whether it is sufficient, or whether it is too great in terms of the realities which confront us. I believe we should understand that, in the light of the other descriptions of the bill which have been given to the Senate this afternoon.

I read the language of the restriction as it appears in the bill:

It is further the policy of the Congress that the Bank in the exercise of its functions should not guarantee, insure, or extend credit, or participate in an extension of credit (A) in connection with the purchase of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended), or agency or national thereof, or (B) in connection with the purchase of any product by any other foreign country, or agency, or national thereof, if the product to be purchased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale to, a Communist country.

Mr. President, this language is followed by the provision that that prohibition may be waived by the President in his judgment if he considers it to be wise and in the national interest. This is a restriction on present policy. It is not a positive authorization to us to engage in East-West trade. If we do become involved in transactions which can be described as East-West transactions, we will do so only as an exception to the policy of this bill and only in such instances as the President finds to be in the national interest.

I think that that description of the bill is essential at this point in the Record, so that Senators who read the Record may focus upon the real nature of the issue before us. I shall have more to say tomorrow about the broad questions raised in the debate up to this point.

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CONGRESSIONAL RECORD — SENATE

August 9, 1967

Mr. President, we are involved in a discussion of vital national policy that will have a great deal to do not only with our national welfare, but also the prospects for peace in the world as a whole. The policies we adopt should be carefully considered; and as has been made clear, they will be.

AMENDMENTS NO. 247

Mr. BYRD of Virginia. Mr. President, I sent to the desk two perfecting amendments, and ask unanimous consent that they be considered en bloc, and lie on the table. I do not plan to call them up today. I should like to have them reported. I ask unanimous consent that they be considered en bloc, and then I shall address myself to the pending amendment.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the amendments must be before the Senate before the unanimous-consent request that they be considered en bloc would be in order.

In other words, when the Senator calls up his amendments, he can then make his unanimous-consent request.

Mr. BYRD of Virginia. I send to the desk two perfecting amendments, and ask that they be reported.

The PRESIDING OFFICER. Held at the desk?

Mr. BYRD of Virginia. That they be reported and held at the desk and printed; and at an appropriate time, I will ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be received and printed, and will lie at the desk, in accordance with the request of the Senator from Virginia.

Does the Senator from Virginia wish to proceed now on the time yielded to him by the Senator from South Dakota?

Mr. BYRD of Virginia. That is correct.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 5 minutes.

Mr. BYRD of Virginia. Mr. President, I support the amendment proposed by the distinguished Senator from Illinois. I have sent to the clerk's desk for printing two perfecting amendments to the bill. The purpose of those amendments is to narrow the legislation so that it will deal specifically with those nations which are fighting Americans in Vietnam, or those nations which are supplying equipment and other materials to fight Americans in Vietnam.

Mr. President, several days ago there was considerable debate in the Senate on a proposal introduced by the Senator from Arkansas, the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT]. Senator after Senator—eight or 10 in all—rose to their feet and said what a good proposal the Senator from Arkansas has presented.

What the Senator from Arkansas sought to do was to have Congress, and specifically the Senate, assume its responsibilities and its prerogatives, and cease giving additional power to the Chief Executive.

The perfecting amendments which I have introduced, as well as the amendment which the Senator from Illinois has offered, would do just that. They

would take away the discretionary power of the President of the United States to permit the American taxpayers' moneys to be used to help those nations which are supplying equipment and materials to the enemy in North Vietnam.

Mr. President, I realize that there will be arguments in favor of granting the President discretionary authority, but I concur in the views of the Senator from Illinois that such authority should be removed from this legislation. To me the overriding issue in the United States today is Vietnam. I feel that the elected representatives of the people have the responsibility to write into the laws safeguards against the use of taxpayers' moneys for the benefit of those nations which are supplying equipment to fight Americans in Vietnam.

There is a precedent, which was created on this floor almost a year ago—

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BYRD of Virginia. I ask for 2 additional minutes.

Mr. MUSKIE. I yield the Senator from Virginia 2 additional minutes.

Mr. BYRD of Virginia. Almost a year ago, the Senate wrote an amendment to the Foreign Aid bill which took away from the President discretionary power to grant foreign aid to nations which permitted ships flying their flags to go into Haiphong. That amendment was agreed to by the Senate.

All that my amendments, the amendment of the Senator from Illinois, and the amendment of the Senator from South Dakota seek to do is to take away that discretionary authority, and let Congress decide whether or not American taxpayers' dollars will be spent for those purposes.

ORDER OF BUSINESS

Mr. THURMOND. Mr. President, the Senator from Illinois [Mr. DIRKSEN] yields 8 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 8 minutes on the bill. The Senator has used up all of the time on the amendments. The Senator is recognized for 8 minutes on the bill.

Mr. THURMOND. I thank the Chair.

PAST U.S. CONCESSIONS TO PANAMA

Mr. THURMOND. Mr. President, we are constantly told by proponents of the recently negotiated Panama Canal treaties that the United States has much to be ashamed of in the past history and present situation of our relations with Panama. These detractors of the United States assert that the present treaties now in force are the result of outmoded attitudes based upon the presumption of "big-stick" diplomacy. These people—and they include many U.S. citizens, I am sorry to say—charge that the U.S. Canal Zone is a relic of the age of imperialism, a relic which one astounding newspaper editorial referred to as an "embarrassment."

Mr. President, I believe that the U.S. record with regard to our relations with

Panama has been an honorable one with mutual benefit to both nations and to the whole world. Far from taking advantage of a small and helpless nation, the United States has protected it in its infancy, assisted in its growth, contributed to its stability, and made its independence possible. The record shows clearly that we have made every effort to make adjustments in our relations with Panama, we have been exceedingly generous in our concessions. There are occasions, I believe, when we have been too generous. Be that as it may. I fail to see how anyone could complain that we are arbitrarily imposing our will upon a reluctant neighbor.

Our relations with Panama have been characterized by give and take. Moreover, the record shows that we have given to Panama far more than we have ever received in return. In the nature of things, considering the capabilities and needs of the two nations, this relationship has perhaps been correct. Generally speaking, we have freely given Panama various public works and projects worth many millions of dollars. We have relinquished many of the legal rights to activities which we conducted within the territory of Panama. We gave to Panama concessions of property and the right to use property within our own territory of the Canal Zone. Furthermore, the annuity was increased twice, from \$250,000 to \$430,000 to \$1.9 million.

In short, I would say that our concessions to Panama have been characterized by an increasing withdrawal from activities within Panama, and an increasing penetration of Panamanian activities within the Canal Zone. I recognize that the relationship of the Canal Zone to Panama is unique. It is inevitable that the proper operation and security of the canal will require some interchange between the two. Nevertheless, our sovereignty in the Canal Zone should never be negotiable. Other concessions may prove necessary, or desirable, but the surrender of sovereignty is so radical as to make impossible any effective mechanism for guaranteeing the safe and continued operation of the canal.

Mr. President, every Member of this body should become familiar with the generous concessions which the United States has freely made to the Republic of Panama. In recent weeks, I have cited some of these concessions as I analyzed each of the major international treaties which affect the canal and the Canal Zone. Other concessions, however, have been made by other agreements. I have, therefore, gathered together a list of the major concessions from all sources. The list of concessions which the United States has made to Panama is so lengthy and complicated that I present it in chart form, agreement by agreement. The chronological sequence of these concessions is necessary to their understanding. A brief of each point stands next to the language of the official text. All citations are from the official Canal Zone Code. I would like to note also that a completely comprehensive list would obscure the essential purpose; this list does not include diplomatic and reciprocal arrangements, nor agreements on